

**FILED**

MAY 12 2006

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

NEBRASKA DEPARTMENT  
OF INSURANCE

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE,

PETITIONER,

VS.

PHIL ARTHUR PARIMORE,

RESPONDENT.

)  
) FINDINGS OF FACT, CONCLUSIONS  
) OF LAW, RECOMMENDED ORDER  
) AND ORDER

) CAUSE NO. A-1661  
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This matter came on for hearing on the 4<sup>th</sup> day of May, 2006, before Martin W. Swanson, a hearing officer duly appointed by the Director of the Nebraska Department of Insurance. The Nebraska Department of Insurance ("Department") was represented by its attorney, Christy Neighbors. Phil Arthur Parimore (Respondent) was not present and was not represented by an attorney. The proceedings were tape recorded by Tracy Gruhn, a licensed Notary Public. Evidence was received, testimony was adduced and the matter was taken under advisement. As a result of the hearing, the hearing officer makes the following Findings of Fact, Conclusions of Law, and Recommended Order.

FINDINGS OF FACT

1. Respondent was a non-resident licensed insurance producer whose registered business address with the Nebraska Department of Insurance was Financial One, LLC, 1326 Hardwood Trail, Suite 101, Cordova, TN 38016. His home address is registered as 7482 Cordova Club Drive, Cordova, TN 38018. As of March 31, 2006, Respondent's insurance producer license had expired. **E2.**

2. On or about November 1, 2004, Respondent, as Chief Manager of an entity named Financial One, LLC, entered into an agreement with Partnership Alliances Incorporated. Said agreement refers to Financial One, LLC, as an insurance agent and references its relationship with insurers. Financial One, LLC does not hold a license as a business entity in Nebraska. E2.

3. At some time before December 19, 2005, Respondent's registered business address changed from that of 1326 Hardwood Trail, Suite 101, Cordova, TN 28016, to that of 376 Perkins Road Ext., Suite 202, Memphis, TN 38117. As of his license expiration on March 31, 2006, Respondent had not changed his registered address with the Department. E2-E6.

4. On or about November 9, 2005, the Department wrote to Respondent to request that he respond to questions raised during the investigation of a complaint filed by Dorothy Chase. Respondent did not respond to the Department's request within fifteen business days as required by *Neb. Rev. Stat.* §44-1525(11). Respondent responded to the Department's inquiry on December 19, 2005. E6.

5. On July 5, 2005, the Indiana Department of Insurance filed an administrative action against Respondent's non-resident Indiana insurance producer license, Cause Number: 1930-AG05-0705-051. On September 7, 2005, the administrative law judge issued a Recommended Order. On October 19, 2005, a Final Order was issued by the Indiana Commissioner of Insurance to permanently revoke Respondent's non-resident license, require Respondent to pay a \$25,000 fine, and pay \$79,359.98 restitution to the complainant. Respondent did not report the Indiana administrative action to the Nebraska Department of Insurance within thirty days of the final disposition of the matter as required by *Neb. Rev. Stat.* §44-4065(1). E7.

6. According to the finding of facts in the Indiana action, on December 18, 2002, the Alabama Department of Insurance issued an order requiring Respondent to cease and desist from all insurance business in Alabama. E7.

#### CONCLUSIONS OF LAW

1. The Department has jurisdiction and control over the licensing of Respondent to sell insurance in the State of Nebraska pursuant to Neb. Rev. Stat. §44-101.01 and §44-4001 et seq.

2. The Department has personal jurisdiction over Respondent.

3. Pursuant to *Neb. Rev. Stat.* §44-4059(5), the Director shall retain the authority to “enforce the provisions of and impose any penalty or remedy authorized by the Insurance Producers Licensing Act against any person who is under investigation for or charged with a violation of the act even if the person’s license or registration has been surrendered or has lapsed by operation of law. No disciplinary proceeding shall be instituted against any licensed person after the expiration of three years from the termination of such license.” Despite the fact that Respondent’s license has expired, the Department of Insurance still has jurisdiction over this matter.

4. Pursuant to *Neb. Rev. Stat.* §44-4065(1), an insurance producer “shall report to the director any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter.” Respondent failed to inform the Department of Insurance about the administrative action taken against him in Indiana. Respondent also failed to report the action taken against him in Alabama as well. This constitutes two violations of *Neb. Rev. Stat.* §44-4065(1).

5. Pursuant to *Neb. Rev. Stat.* §44-4054(8), “[l]icensees shall inform the Director ... of a change of legal name or address within thirty days after the change. Any person filing

to provide such notification shall be subject to a fine by the Director of not more than five hundred dollars per violation, suspension of the person's license until the change of address is reported to the Director, or both." Respondent failed to inform the Director about his change in address and thus violated *Neb. Rev. Stat.* §44-4054(8).

6. Pursuant to *Neb. Rev. Stat.* §44-1525(11), it shall be a violation of the Unfair Trade Practices Act for an insurer, upon receipt of a written inquiry from the department, to respond to such inquiry or request additional reasonable time to respond within fifteen working days. "Insurer" is defined at *Neb. Rev. Stat.* §44-1523(4) to include agent. While Respondent eventually answered the Department of Insurance's inquiry, it was an untimely response and a violation of *Neb. Rev. Stat.* §44-1525(11).

7. Although required to do so pursuant to *Neb. Rev. Stat.* §44-4053(2), Financial One, LLC, did not hold a license as a business entity in Nebraska. This violates *Neb. Rev. Stat.* §44-4053(2) .

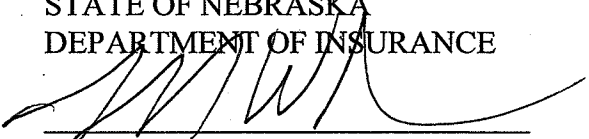
8. Pursuant to *Neb. Rev. Stat.* §44-4059(1), the Director of Insurance may suspend, revoke or refuse to issue or renew an insurance producer's license or may levy an administrative fine ... for any one or more of the following causes: (b) violating any insurance law or violating any rule, regulation, subpoena, or order of the Director or of another state's insurance commissioner or director, and (h) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere. Respondent clearly violated the insurance code and has demonstrated, by his failure to follow the law in Nebraska and Indiana, incompetence in the conduct of business of insurance.

### RECOMMENDED ORDER

Based on the Findings of Fact and Conclusions of Law, it is recommended that Respondent's Insurance Producer's License be revoked. The Nebraska Department of Insurance will continue to retain jurisdiction over this matter.

Dated this 9<sup>th</sup> day of May, 2006.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE


  
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Martin W. Swanson  
Hearing Officer

### CERTIFICATE OF ADOPTION

I have reviewed the foregoing Findings of Fact, Conclusions of Law, and Recommended Order and hereby certify that the Recommended Order is adopted as the official and final Order of this Department in the matter of State of Nebraska, Department of Insurance vs. Phil Arthur Parimore, Cause No. A-1661.

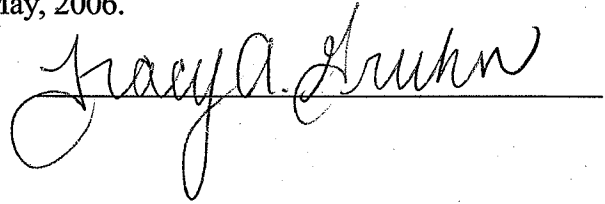
Dated this 12<sup>th</sup> day of May, 2006.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

  
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L. TIM WAGNER  
Director of Insurance

### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Findings of Fact, Conclusions of Law, Recommended Order, and Order was served upon the Respondent by mailing a copy to Respondent at Financial One, LLC, 1326 Hardwood Trail, Suite 101, Cordova, Tennessee 38016, by certified mail, return receipt requested, on this 15<sup>th</sup> day of May, 2006.

  
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